Lead Scoring 101: How to Know Which Leads Matter Most

Build a lead scoring model that picks out your best prospects.

A Lean Sales and Marketing Resource from

Michigan Manufacturing Technology Center-Northeast & Inbound 281

MICHIGAN
MANUFACTURING
TECHNOLOGY
CENTER

Inbound 281
MARKET YOUR WAY UP

Lead Scoring Made Simple

When you have a lot of leads, you need to figure out who's really interested in your product and who's just looking around.

That's where lead scoring comes in. It helps you zero in on the leads that matter most.

In this guide, we define lead scoring and show how to build a lead scoring system for your sales team.

We hope you find this information helpful. If you have any questions, feel free to reach me at 800-834-4910 or at inbound281.com.

Mark Parent

Mark Parent,
President & CEO
mparent@inbound281.com

Lead Scoring 101: How to Determine Who Your Best Prospects Are Without Guessing

When you have a lot of leads, you need to figure out who's really interested in your product and who's just starting to look around.

That's where lead scoring comes in.

What Is Lead Scoring?

Lead scoring is the process of assigning values, often in the form of numerical "points," to each lead you generate for the business. You can score your leads based on multiple attributes, including the professional information they've submitted to you and how they've engaged with your website and brand across the internet. This process helps sales and marketing teams prioritize leads, respond to them appropriately, and increase the rate at which those leads become customers.

Learn more about the concept of lead scoring in the video below.

Every company has a different model for assigning points to score their leads, but one of the most common ways is using data from past leads to create the value system.

How? First, you'll take a look at your contacts who became customers to see what they have in common. Next, you'll look at the attributes of your contacts who didn't become customers. Once you've looked at the historical data from both sides, you can decide which attributes should be weighted heavily based on how likely they are to indicate someone's a good fit for your product.

Lead scoring sounds easy, right? Depending on your business model and the leads in your database, this can quickly become complicated. To make this process a little easier on you, we're going to walk you through the basics of creating a lead score, including what data you should look at, how to find the most important attributes, and the process for actually calculating a basic score.

Lead Scoring Models

Lead scoring models ensure the values you assign to each lead reflect the actual compatibility they have with your product. Many lead scores are based on a point range of 0 to 100, but every lead scoring model you create will support a particular attribute of your core customer.

Here are six different lead scoring models based on the type of data you can collect from the people who engage with your business:

1. Demographic Information

Are you only selling to people of a certain demographic, like parents of young children or CIOs? Ask demographic questions in the forms on your landing pages, and you can use your leads' answers to see how well they fit in with your target audience.

One thing you can do with this information is remove outliers from your sales team's queue by subtracting points for people who fall into a category you don't sell to. For example, if you only sell to a certain geographic location, you might give a negative score to any lead who falls outside the proper city, state, zip code, country, and so on.

If some of your form fields are optional (like a phone number, for instance), then you also might award extra points to leads who provide that option information anyway.

2. Company Information

If you're a B2B organization, are you more interested in selling to organizations of a certain size, type, or industry? Are you more interested in B2B organizations or B2C organizations? You can ask questions like these on your landing page forms, too, so you can give points to leads who fit in with your target audience and take points away from leads who aren't at all what you're looking for.

3. Online Behavior

How a lead interacts with your website can tell you a lot about how interested they are in buying from you. Take a look at your leads who eventually become customers: Which offers did they download? How many offers did they download? Which pages -- and how many pages -- did they visit on your site before becoming a customer?

Both the number and types of forms and pages are important. You might give higher lead scores to leads who visited high-value pages (like pricing pages) or filled out high-value forms (like a demo request). Similarly, you might give higher scores to leads who had 30 page views on your site, as opposed to three.

What about leads who have changed their behavior over time? If a lead has stopped visiting your website or downloading your offers, they may not be interested anymore. You might take points away from leads who've stopped engaging with your website after a certain period of time. How long -- 10 days, 30 days, 90 days -- depends on your typical sales cycle.

4. Email Engagement

If someone's opted in to receive emails from your company, you're not sure how interested that person is in buying from you. Open and clickthrough rates, on the other hand, will give you a much better idea of their interest level. Your sales team will want to know who opened every email in your lead nurturing series, or who always clicked through your offer promotion emails. That way, they can focus on the ones who seem most engaged. You might also give a higher lead score to leads who click through on high-value emails, like demo offers.

5. Social Engagement

How engaged a lead is with your brand on social networks can also give you an idea of how interested they are. How many times did they click through on your company's tweets and Facebook posts? How many times did they retweet or share those posts? If your target buyers are active on social networks, then you might consider awarding points to leads with certain Klout scores or numbers of followers.

How Do You Know What Matters Most?

That's a lot of data to weed through -- how do you know which data matters most? Should you find out from your sales team? Should you interview your customers? Should you dive into your analytics and run a few reports?

Actually, we recommend a combination of all three. Your sales team, your customers, and your analytics reports will all help you piece together what content is most valuable for converting leads into customers, which will help you attach certain points to certain offers, emails, and so on.

Talk to your sales team.

Sales reps are the ones on the ground, communicating directly with both leads who turned into customers and those who didn't. They tend to have a pretty good idea of which pieces of marketing material helps encourage conversion.

Which blog posts and offers do your sales reps like to send leads? You might find some of them telling you, "Every time I send people this certain piece of collateral, it's easier to close them." This is valuable information. Find out what those pieces of collateral are, and assign points accordingly.

Talk to your customers.

While your sales team might claim certain content converts customers, you might find that the people who actually went through the sales process have different opinions. That's okay: You want to hear it from both sides.

Conduct a few customer interviews to learn what they think was responsible for their decision to buy from you. Be sure you're interviewing customers who had both short and long sales cycles so you get diverse perspectives.

Turn to the analytics.

You should also complement all this in-person research with hard data from your marketing analytics.

Run an attribution report to figure out which marketing efforts lead to conversions throughout the funnel. Don't only look at the content that converts leads to customers -- what about the content people view before they become a lead? You might award a certain number of points to people who download content that's historically converted people into leads, and a higher number of points to people who download content that's historically converted people into customers.

Another way to help you piece together valuable pieces of content on your site is to run a contacts report. A contacts report will show you how many contacts -- and how much revenue -- has been generated as a result of certain, specific marketing activities. Marketing activities might include certain offer downloads, email campaign clickthroughs, and so on. Take note of which activities tend to be first-touch conversions, last-touch conversions, and so on, and assign points accordingly.

Is One Lead Score Enough?

If you have one core customer right now, a single score suffices. But as your company scales, you'll sell to new audiences. You might expand into new product lines, new regions, or new personas. You might even focus more on up-selling and cross-selling to existing customers, rather than pursuing new ones. If your contacts aren't "one size fits all," your scoring system shouldn't be either.

With some marketing platforms, you can create multiple lead-scoring systems, giving you the flexibility to qualify different sets of contacts in different ways. Not sure how to set up more than one score? Here are a few examples to inspire you:

Fit vs. Interest

Let's say, for instance, your sales team wants to evaluate customers on both fit (i.e. is a contact in the right region? The right industry? The right role?) and interest level (e.g. how engaged have they been with your online content?). If both of these attributes are a priority, you can create both an engagement score and a fit score, so that you can prioritize outreach to contacts whose values are high in both categories.

Multiple Personas

Say you're a software company that sells two different types of software, via different sales teams, to different types of buyers. You could create two different lead scores -- one for a buyer's fit and the other for their interest in each tool. The, you'd use these respective scores to route leads to the right sales teams.

New Business vs. Up-sell

As you grow, you might start to focus on up-sell or cross-sell as much as new business. But keep in mind the signals that indicate quality of new prospects and existing customers often look completely different.

For prospects, you might look at demographics and website engagement, whereas for existing customers, you might look at how many customer support tickets they've submitted, their engagement with an onboarding consultant, and how active they currently are with your products. If these buying signals look different for different types of sales, consider creating multiple lead scores.

Growth Services from Inbound 281 & MMTC-Northeast

MICHIGAN
MANUFACTURING
TECHNOLOGY
CENTER

MANUFACTURE SMARTER

Inbound 281
MARKET YOUR WAY UP

Inbound 281 and the Michigan Manufacturing Technology Center - Northeast Office have assembled a suite of strategic and tactical best practices called **Growth Services** to help manufacturing firms improve sales, marketing and customer support operations. Growth Services help manufacturing companies increase sales, enhance revenue and accelerate growth. Learn more by scheduling a conversation with a Growth Consultant.

Schedule a Conversation

web.the-center.org

800-834-4910